

## **BUDGET, FINANCE & INVESTMENT COMMITTEE**

**April 7, 2011**

**5:30 P.M.**

**Courthouse**

### MINUTES:

#### Present:

Comm. Charlie Baum  
Comm. Joe Frank Jernigan  
Comm. Will Jordan  
Comm. Robert Peay, Jr.  
Comm. Steve Sandlin  
Comm. Doug Shafer  
Comm. Joyce Ealy, Chrm.

#### Others Present:

Ernest Burgess  
Sheriff Robert Arnold  
Judge Larry Brandon  
Lisa Nolen  
Melissa Stinson  
Wanda Watkins  
Larry Farley

#### Others Present:

Lynn Duke  
Joe Russell  
Dana Garrett  
Jeff Sandvig  
Eddie Turner  
Elaine Short

Chairman Ealy presided and called the meeting to order with all members being present.

### APPROVE MINUTES:

The minutes of the March 10, 2011 Budget Committee were presented for approval.

Comm. Jernigan moved, seconded by Comm. Jordan to approve the minutes as presented.

The motion passed unanimously by acclamation.

### INVESTMENT REPORT:

Chairman Ealy advised that no investment bids had been taken during the month. The LGIP interest rate for the month was .18%.

Comm. Sandlin moved, seconded by Comm. Peay to approve the monthly Investment Report.

The motion passed unanimously by acclamation.

### FUND CONDITION REPORT:

The Finance Director presented the monthly Fund Condition Report for the use and information of the committee, advising that the Development Tax collections for the month totaled \$82,500. The year-to-date collections totaled \$651,000. This compared to the same period in the prior year when the March 2010 collections totaled \$96,750, and the year-to-date collections were \$1,149,750.

The committee reviewed the fund cash balances totaling \$186,247,014 with operating funds totaling \$183,116,734 and borrowed funds totaling \$3,130,280. This compared to the same period in the prior year when the March 2010 cash balances totaled \$202,226,026 with operating funds being \$177,589,226, and borrowed funds being \$24,636,800.

The Finance Director directed the committee's attention to the Jail Remediation Project with a negative cash balance of \$921.64 and advised that a budget amendment would be presented later in the meeting to transfer additional funding into the project.

The committee reviewed the revenue collections, with the Finance Director advising that the revenue for licenses and permits was behind reflecting fewer building permits being issued. Mrs. Nolen advised that the estimated revenue in the General Fund was 82.79% collected.

The Finance Director distributed an analysis of the unassigned fund balance. She noted that the fiscal year began with a \$2.8 million reduction in the unassigned fund balance with a reduction of \$1.3 million in committed and restricted fund balances, and a plan draw of the unassigned fund balance of \$1.4 million. Since the beginning of the fiscal year, the unassigned fund balance has been further reduced by \$531,469. Later in the meeting five amendments will be presented

for approval totaling \$217,309, which if approved, will provide additional reductions of the unassigned fund balance.

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the monthly Fund Condition Report as presented. The motion passed unanimously by acclamation.

#### INSURANCE REPORT:

Mrs. Melissa Stinson, Insurance Director, presented the monthly Insurance Financial Report advising that at the end of March, the cost per employee per month for the medical, dental, and vision program was \$733.13 compared to \$754.92 for the prior year.

The CareHere cost per employee for the month of March was \$30.21 compared to \$41.30 for the prior year.

The cost per employee per month for the health, dental, vision, and Carehere combined was \$763.34 compared to \$796.24 for the prior year. The year-to-date average cost per employee was \$730.22, which still reflected a negative trend of -5.1%.

The net OPEB obligation was \$38,780,650.

Regarding the Work Injury Fund, the claims cost was approximately 94% of last year's claims costs. Mrs. Stinson advised that during the month of March \$116,379 in claims was paid, and 53% of those were Workers' Comp. claims with the balance of 46.6% being OJI claims.

Following review, Comm. Jordan moved, seconded by Comm. Peay to approve the Insurance Financial Report. The motion passed unanimously by acclamation.

#### RECOMMENDATION TO INCREASE STOP LOSS LEVEL ON MEDICAL PLAN:

Mrs. Stinson presented some historical information of the stop-loss coverage on the medical plan. In 1998-1999, the individual stop-loss level was \$50,000. Incremental increases have occurred over time, with the current stop-loss level being \$380,000. She explained that beginning in 2007, the incremental increases were implemented to offset any increase in rate.

Mrs. Stinson presented the results of a study that she prepared of the individual stop loss over the past four years. She explained that the aggregated premium cost over the four-year period totaled \$2,088,237. The actual reimbursement for the same four-year period was \$859,629. The loss ratio for this period of time was 41.17%.

Mrs. Stinson advised that statistically based on information provided from Evergreen Consulting when a plan consists of over 2,000 lives, a large claim can be expected about every four years. She stated that had been true in Rutherford County's case.

For the same period of time, Mrs. Stinson asked Cigna to provide the same illustration assuming that the stop-loss level had been \$750,000. That would have decreased the premium to approximately \$1.1 million, and the reimbursement would have also decreased to \$351,363. The loss ratio would have been reduced to 31.82%.

Had the individual stop-loss level been at \$750,000 for the same four-year period, the premium would have been reduced by \$983,986, and the reimbursement would have been reduced by \$508,266 with a net savings to the county of \$475,719.92.

Cigna also provided a claim projection of the expected claims that would exceed the stop-loss level.

Based on this information, and given that Rutherford County has a defined risk and does not see a lot of volatility in the claims and in the risk pool, Mrs. Stinson advised that the Insurance

Committee was recommending increasing the stop-loss amount to \$750,000 to offset the premium costs and to achieve a greater savings in the stop-loss arrangement.

Mrs. Stinson advised that currently there was one large claim that was ongoing. She informed the committee that she had confirmed with Cigna that they expect to have the claim paid by the June 30 deadline, which was key, because if it is not paid, it would roll to the next plan year. Mrs. Stinson advised that if the Budget Committee and the County Commission approved the recommendation, she would suggest adding a contingency to increase the stop-loss level based upon the large claim being paid by the end of the fiscal year to provide protection for the county to be able to revert back to the current stop-loss level in case the claim was not paid.

By increasing the stop-loss level, the actual rate would be reduced from \$9.55 per employee per month to \$5.05 per employee per month.

Following discussion, Comm. Jernigan moved, seconded by Comm. Shafer to approve the recommendation of the Insurance Committee to increase the stop-loss level on the medical plan from \$380,000 to \$750,000 effective July 1, 2011 contingent upon the current large claim being paid by June 30, 2011, and if the large claim is not paid, the stop loss level for the upcoming fiscal year would remain at \$380,000.

The motion passed unanimously by roll call vote.

## **GENERAL FUND BUDGET AMENDMENTS**

### **INSURANCE DEPARTMENT:**

Mrs. Stinson advised that she had received the first provision related to the Health Care Reform, which provides for the inclusion of dependents up to age 26. She explained that in order to inform employees, it would be necessary to conduct a mailing and a payroll stuffer in order to provide proper communication about the enrollment period. Mrs. Stinson requested approval of the following budget transfer to provide funding to cover the postage fees associated with mailing the special enrollment period notice to the Board of Education medical plan participants:

|   |         |
|---|---------|
| From: 101-51920-435 – Office Supplies - | \$1,500 |
| To: 101-51920-348 – Postal Charges -    | \$1,500 |

Comm. Sandlin moved, seconded by Comm. Jordan to approve the budget transfer for the Insurance Department as requested transferring \$1,500 from Account 101-51920-435, Office Supplies, to Account 101-51920-348, Postal Charges.

The motion passed unanimously by roll call vote.

### **ELECTION COMMISSION:**

The Finance Director requested approval of the following budget transfer for the Election Commission to provide adequate funding to pay the maintenance agreement on the copy machine to complete the year:

|  |        |
|--|--------|
| From: 101-51500-338 – Maint./Repair Vehicles - | \$ 112 |
| To: 101-51500-334 – Maintenance Agreements -   | \$ 112 |

Comm. Jordan moved, seconded by Comm. Sandlin to approve the budget transfer for the Election Commission as requested transferring \$112 from Account 101-51500-338, Maintenance & Repair Vehicles, to Account 101-51500-334, Maintenance Agreements.

The motion passed unanimously by roll call vote.

ARCHIVES:

The Finance Director advised that one of the MTSU graduate students, who was working at the Archives Department as an intern, was offered a career job and left at mid-semester. This caused the department to be short staffed. Mrs. Nolen requested approval of the following budget transfer for the Archives Department to hire a part-time person from mid-March through mid-May:

From: 101-51910-599 – Other Charges - \$5,385

To: 101-51910-189 – Other Salaries/Wages - \$5,000

101-51910-201 – Social Security - 310

101-51910-212 – Employer Medicare - 75

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the budget transfer for the Archives Department as requested transferring \$5,385 from Account 101-51910-599, Other Charges, with \$5,000 to Account 101-51910-189, Other Salaries & Wages, \$310 to Account 101-51910-201, Social Security, and \$75 to Account 101-51910-212, Employer Medicare.

The motion passed unanimously by roll call vote.

GENERAL SESSIONS COURT:

The Finance Director reminded the committee that two years ago the legislature approved legislation that provided if a judge ordered a mental evaluation or treatment for someone charged with a misdemeanor, the state would no longer provide those services and that the county would be charged with those expenses. She explained that in 2009-10, the county received no bills, and therefore, going into the year there was no experience. At the beginning of the current fiscal year, \$97,000 was amended into the current year to cover \$40,500 in bills that related to last fiscal year and to provide additional funding for the current fiscal year.

The county has been presented with additional bills for charges that related to the prior fiscal year totaling \$106,650.

The County Commission has approved a contract with the Tennessee Department of Mental Health for a discounted rate of \$450 per day. If the county had not entered into a contract with the State, the charge would have been \$990 per day.

Mrs. Nolen requested approval of the following budget amendment to provide funding to pay the current bills on hand and to provide an additional \$10,000 for future charges:

From: 101-39000 – Unassigned Fund Balance - \$64,500

To: 101-53300-322 – Evaluation & Testing - \$64,500

Mayor Burgess advised when the state was providing the services; the law included a maximum number of days for the evaluation and treatment, with one scenario providing a maximum of 30 days and the other scenario providing a maximum of 60 days. He reported that now there is no maximum on how many days a person can receive treatment.

The contract with the state has recently been extended through June 30, 2012.

Following discussion, Comm. Jernigan moved, seconded by Comm. Jordan to approve the request for the General Sessions Court amending \$64,500 from Account 101-39000, Unassigned Fund Balance, to Account 101-53300-322, Evaluation and Testing.

The motion passed by roll call vote with Comm. Shafer abstaining.

Judge Larry Brandon and Mrs. Wanda Watkins were present to request approval of the following budget amendment to provide funding for mileage, per diem, hotel accommodations for Judicial Commissioners and Judge Brandon to attend required training:

|   |         |
|---|---------|
| From: 101-53300-432 – Library Books -     | \$1,000 |
| 101-53300-337 – Maint./Repair Equipment - | 200     |
| 101-53300-307 – Communications -          | 1,000   |
| 101-39000 – Unassigned Fund Balance -     | 850     |
| To: 101-53300-355 – Travel -              | \$3,050 |

Comm. Peay moved, seconded by Comm. Sandlin to approve the budget amendment for the General Sessions Court with \$1,000 from Account 101-53300-432, Library Books; \$200 from Account 101-53300-337, Maintenance and Repair Equipment; \$1,000 from Account 101-53300-307, Communications; \$850 from Account 101-39000, Unassigned Fund Balance; with a total of \$3,050 to Account 101-53300-355, Travel.

The motion passed unanimously by roll call vote.

#### FIRE & RESCUE:

Mrs. Larry Farley, Fire Chief, requested approval of the following budget transfers to provide additional funding for the Maintenance and Repair of Vehicles. Mr. Farley explained that the computer went out in one pumper truck, and the transmission went out in another pumper truck. The repairs on the trucks depleted the maintenance account. The Public Safety Committee advised that Mr. Farley should try to request another amendment in order to provide funding to last through the remainder of the Fiscal Year:

|  |         |
|--|---------|
| From: 101-54320-411 – Data Processing Supplies - | \$7,500 |
| To: 101-54320-338 – Maint./Repair Vehicles -     | \$7,500 |
| From: 101-54320-334 – Maintenance Agreements -   | \$4,000 |
| 101-54320-429 – Instructional Supplies -         | 1,000   |
| To: 101-54320-338 – Maint./Repair Vehicles -     | \$5,000 |

Comm. Peay moved, seconded by Comm. Shafer to approve the budget transfers for the Fire & Rescue Department as requested transferring \$7,500 from Account 101-54320-411, Data Processing Supplies, to Account 101-54320-338, Maintenance & Repair Vehicles; and transferring \$4,000 from Account 101-54320-334, Maintenance Agreements, and \$1,000 from Account 101-54320-429, Instructional Supplies; with a total of \$5,000 to Account 101-54320-338, Maintenance & Repair Vehicles.

The motion passed unanimously by roll call vote.

#### JUVENILE DETENTION:

Mrs. Lynn Duke, Juvenile Detention Center Director, requested approval of the following budget amendments to provide sufficient funding for Office Supplies and gasoline to complete the Fiscal Year:

|  |         |
|--|---------|
| From: 101-54240-349 – Printing, Stationary/Forms - | \$ 850  |
| 101-54240-196 – In-Service Training -              | 2,875   |
| To: 101-54240-499 – Other Supplies/Materials -     | \$3,725 |
| From: 101-58900-425 – Miscellaneous/Gasoline -     | \$ 300  |
| To: 101-54240-425 – Juvenile Detention/Gasoline -  | \$ 300  |

Comm. Jordan moved, seconded by Comm. Jernigan to approve the budget amendments for the Juvenile Detention Center transferring \$850 from Account 101-54240-349, Printing, Stationary & Forms, and \$2,875 from Account 101-54240-196, In-Service Training, with a total of \$3,725 to Account 101-54240-499, Other Supplies & Materials; and amending \$300 from Account 101-58900-425, Miscellaneous/Gasoline, to Account 101-54240-425, Juvenile Detention Center Gasoline.

The motion passed unanimously by roll call vote.

OTHER PUBLIC HEALTH & WELFARE:

The Finance Director requested approval of the following budget amendment for Other Public Health & Welfare to provide additional funding to pay Forensic Medical for autopsy services:

|   |          |
|---|----------|
| From: 101-39000 – Unassigned Fund Balance -     | \$75,000 |
| To: 101-55900-399 – Other Contracted Services - | \$75,000 |

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the budget amendment for the Other Public Health & Welfare to provide additional funding for autopsy services amending \$75,000 from Account 101-39000, Unassigned Fund Balance, to Account 101-55900-399, Other Public Health & Welfare, Other Contracted Services.

The motion passed unanimously by roll call vote.

The committee discussed that anytime any of the local law enforcement agencies requested an autopsy, the county was responsible for paying for it. Comm. Shafer asked if the county received any reimbursement from the cities for the autopsies requested by those law enforcement agencies.

Mayor Burgess advised that the cities did not pay anything for the autopsies.

Comm. Jordan asked even if the estate had money, was it still the county's responsibility.

Mayor Burgess stated that was the way he understood the state law.

Comm. Shafer requested that the County Attorney be requested to look at the law to see if it would be beneficial to get an Attorney General's opinion regarding the requirement of the county to pay for all autopsies requested by all law enforcement agencies within the county.

UNEMPLOYMENT COMPENSATION:

The Finance Director explained that in previous years, the General Fund contained one line item to pay for unemployment compensation for all departments within the General Fund. She advised that the total amount paid for unemployment compensation began to increase for the past two years, and she decided that this year the costs for unemployment needed to be cost centered by department. She advised that the \$50,000 that was budgeted would not be sufficient to pay for all of the claims. She requested approval of the following budget amendment to distribute the expenses to date by department and to provide funding to pay the expenses by department through the end of the year:

|   |          |
|---|----------|
| From: 101-58600-210 – Employee Benefits/Unemployment Compensation - | \$46,998 |
| 101-39000 – Unassigned Fund Balance -                               | 65,573   |
| To: 101-51720-210 – Planning/Unemployment Compensation -            | \$ 6,050 |
| 101-52600-210 – OIT/Unemployment Compensation -                     | 100      |
| 101-54110-210 – Sheriff's Dept./Unemployment Compensation -         | 62,000   |
| 101-54210-210 – Jail/Unemployment Compensation -                    | 30,000   |
| 101-54220-210 – Correctional Work Center/Unemployment Comp. -       | 3,000    |
| 101-54240-210 – Juvenile Detention/Unemployment Compensation -      | 4,300    |

|  |       |
|--|-------|
| 101-55120-210 – PAWS/Unemployment Compensation -       | 7,000 |
| 101-56700-210 – Recreation/Unemployment Compensation - | 121   |

The Finance Director advised that there had been situations where the State Unemployment Board had authorized payment when the county believed that they should not.

Mayor Burgess advised that the county had appealed some of the cases, and the HR Director had been to the hearings repeatedly. Mayor Burgess stated if the individuals have been dismissed for cause, they should not be receiving the benefits, but that is where the dispute is.

Comm. Sandlin asked Chairman Ealy, if Sheriff Arnold could address the unemployment situation in his department.

Sheriff Arnold stated there were a couple of employees who might be receiving unemployment due to changes in the administration at the Sheriff's Department. He stated that he believed the majority of the individuals drawing unemployment were the school crossing guards. He also stated that some individuals were reassigned when he took office, and they did not like their reassignment so they quit.

Mr. Russell stated that even individuals who voluntarily left employment were receiving unemployment benefits.

Comm. Sandlin stated that he would like to know by the County Commission meeting how many people were receiving Unemployment Compensation.

Following discussion, Comm. Jordan moved, seconded by Comm. Sandlin to approve the budget amendment to distribute the expenses for Unemployment Compensation by department with \$46,998 from Account 101-58600-210, Employee Benefits, Unemployment Compensation; \$65,573 from Account 101-39000, Unassigned Fund Balance, with \$6,050 to Account 101-51720-210, Planning/Unemployment Compensation; \$100 to Account 101-52600-210, OIT/Unemployment Compensation; \$62,000 to Account 101-54110-210, Sheriff's Department/Unemployment Compensation; \$30,000 to Account 101-54210-210, Jail/Unemployment Compensation; \$3,000 to Account 101-54220-210, Correctional Work Center/Unemployment Compensation; \$4,300 to Account 101-54240-210, Juvenile Detention/Unemployment Compensation; \$7,000 to Account 101-55120-210, PAWS/Unemployment Compensation; and \$121 to Account 101-56700-210, Recreation/Unemployment Compensation.

The motion passed unanimously by roll call vote.

#### OFFICIALS' SALARY ADJUSTMENTS:

The Finance Director requested approval of the following budget amendment to provide an adjustment to the elected county officials' salaries to comply with the minimum compensation due as required by TCA 8-24-102. The amendment provides retroactive pay back to April 1, 2010, which was the date of the official census, and provides sufficient funds to pay the minimum salary for the remainder of the fiscal year:

|   |          |
|---|----------|
| From: 101-39000 – Unassigned Fund Balance -                 | \$64,459 |
| To:   |          |
| County Mayor: 101-51300-101 – County Official/Admin. -      | \$10,495 |
| 101-51300-201 – Social Security -                           | 655      |
| 101-51300-204 – State Retirement -                          | 1,330    |
| 101-51300-209 – Disability Insurance -                      | 10       |
| 101-51300-212 – Employer Medicare -                         | 155      |
| Register of Deeds: 101-51600-101 – County Official/Admin. - | \$ 8,260 |
| 101-51600-201 – Social Security -                           | 515      |

|                    |  |          |
|--------------------|--|----------|
|                    | 101-51600-204 – State Retirement -       | 1,045    |
|                    | 101-51600-209 – Disability Insurance -   | 5        |
|                    | 101-51600-212 – Employer Medicare -      | 120      |
| Property Assessor: | 101-52300-101 – County Official/Admin. - | \$ 8,260 |
|                    | 101-52300-201 – Social Security -        | 515      |
|                    | 101-52300-204 – State Retirement -       | 1,045    |
|                    | 101-52300-209 – Disability Insurance -   | 5        |
|                    | 101-52300-212 – Employer Medicare -      | 120      |
| County Clerk:      | 101-52500-101 – County Official/Admin. - | \$ 8,260 |
|                    | 101-52500-201 – Social Security -        | 515      |
|                    | 101-52500-204 – State Retirement -       | 1,045    |
|                    | 101-52500-209 – Disability Insurance -   | 5        |
|                    | 101-52500-212 – Employer Medicare -      | 120      |
| Chancery Court:    | 101-53400-101 – County Official/Admin. - | \$ 8,260 |
|                    | 101-53400-201 – Social Security -        | 515      |
|                    | 101-53400-204 – State Retirement -       | 1,045    |
|                    | 101-53400-209 – Disability Insurance -   | 5        |
|                    | 101-53400-212 – Employer Medicare -      | 120      |
| Sheriff:           | 101-54110-101 – County Official/Admin. - | \$ 9,994 |
|                    | 101-54110-201 – Social Security -        | 620      |
|                    | 101-54110-204 – State Retirement -       | 1,265    |
|                    | 101-54110-209 – Disability Insurance -   | 10       |
|                    | 101-54110-212 – Employer Medicare -      | 145      |

The Finance Director noted that the amendment covers the salary adjustments for the elected officials included in the county's budget. Salary adjustments for the Circuit Court Clerk and the County Trustee are not included, because their salaries are paid from their respective excess fees. They also receive the increase, but it will be paid with their excess fees. She also advised that there were sufficient funds in the Election Commission's budget to pay the increase for the Election Administrator's salary.

Comm. Jordan moved, seconded by Comm. Jernigan to approve the budget amendment as requested for a total of \$64,459 to adjust the elected officials' salaries to comply with the minimum compensation as required by TCA 8-24-102.

Mayor Burgess stated that if it was assumed that the population remained at 262,604, there would not be increases to the officials' salaries until the population exceeded 275,000.

Comm. Shafer stated that he thought the officials would also receive any other pay increases that were approved by the state.

The Finance Director explained that the officials would receive a pay increase only if state employees received a pay increase. She stated that the pay tables for county officials had not changed since 2007.

Following discussion, the motion to approve the budget amendment as requested for a total of \$64,459 to adjust the elected officials' salaries to comply with the minimum compensation as required by TCA 8-24-102 passed by roll call vote with Commissioners Sandlin and Shafer voting "pass".

#### SHERIFF'S DEPARTMENT AND JAIL:

Sheriff Arnold and Chief Deputy Joe Russell requested approval of the following budget amendments to transfer funds within the budget to provide additional funding for the Communications Account; to recognize revenue from Clark Iron for recycled materials and to

appropriate the revenue for Maintenance and Repair of the Building; to recognize revenue from the City of La Vergne Swat School Registration to be used for In-Service Training; to recognize revenue from the Murfreesboro Housing Authority per the Community anti-Drug Coalition of Rutherford County to be used for Overtime Pay and the related benefits; to request unassigned funds in the amount of \$13,000 for Maintenance and Repair of Equipment to repair the radio tower that received storm damage; to transfer funds within the budget for prisoner transport; and to transfer funds within the budget to provide funding to pay storage rental:

|   |          |
|---|----------|
| From: 101-54110-317 – Data Processing Services -                | \$21,000 |
| 101-54110-425 – Gasoline -                                      | 24,000   |
| To: 101-54110-307 – Communications -                            | \$45,000 |
| Increase Revenue: 101-44145 – Sale of Recycled Materials -      | \$ 150   |
| Increase Expend.: 101-54210-335 – Jail/Maint./Repair Building - | \$ 150   |
| Increase Revenue: 101-48140 – Contracted Services -             | \$ 500   |
| Increase Expend.: 101-54110-196 – In-Service Training -         | \$ 500   |
| Increase Revenue: 101-48130 – Contributions -                   | \$ 1,297 |
| Increase Expend.: 101-54110-187 – Overtime Pay -                | \$ 1,080 |
| 101-54110-201 – Social Security -                               | 66       |
| 101-54110-204 – State Retirement -                              | 136      |
| 101-54110-212 – Employer Medicare -                             | 15       |
| From: 101-39000 – Unassigned Fund Balance -                     | \$13,000 |
| To: 101-54110-336 – Maint./Repair Equipment -                   | \$13,000 |
| From: 101-54110-425 – Gasoline -                                | \$15,000 |
| To: 101-54210-354 – Jail/Transportation Other Than Students -   | \$15,000 |
| From: 101-54110-336 – Maint./Repair Buildings -                 | \$ 2,155 |
| To: 101-54110-351 – Rentals -                                   | \$ 2,155 |

Comm. Peay questioned the \$13,000 amendment from the unassigned fund balance for repairs to the radio tower.

Mr. Russell advised that the repairs had been paid, and they were requesting to replenish the line item.

Comm. Peay moved, seconded by Comm. Jernigan to consider the \$13,000 amendment from unassigned fund balance to pay for repairs to the radio tower separately. The motion passed unanimously by acclamation.

Comm. Peay moved, seconded by Comm. Sandlin to approve the budget amendments for the Sheriff's Department and Jail transferring \$21,000 from Account 101-54110-317, Data Processing Services, and \$24,000 from Account 101-54110-425, Gasoline, with a total of \$45,000 to Account 101-54110-307, Communications; increasing Revenue Account 101-44145, Sale of Recycled Materials, by \$150 and increasing Expenditure Account 101-54210-335, Jail/Maintenance & Repair Building by \$150; increasing Revenue Account 101-48140, Contracted Services, by \$500 and increasing Expenditure Account 101-54110-196 by, In-Service Training, by \$500; increasing Revenue Account 101-48130, Contributions, by \$1,297 and increasing Expenditure Accounts 101-54110-187, Overtime Pay, by \$1,080, Account 101-54110-201, Social Security by \$66, Account 101-54110-204, State Retirement, by \$136, and Account 101-54110-212, Employer Medicare by \$15; amending \$15,000 from Account 101-54110-425, Gasoline, to Account 101-54210-354, Jail/Transportation Other Than Students; and transferring \$2,155 from Account 101-54110-336, Maintenance & Repair Building, to Account 101-54110-351, Rentals.

The motion passed unanimously by roll call vote.

Comm. Jordan stated that regarding the \$13,000 amendment from unassigned fund balance for the repairs to the radio tower, there was still money in the account. He stated that if the account ran short, the Sheriff's Department could request another amendment at a later date.

Mr. Russell advised that the Crown Victoria was no longer being built. He explained that when it got closer to the end of April, they were going to try to gather any remaining funds in the budget and purchase as many Crown Victorias as they could. He stated that there was \$500,000 in next year's budget for vehicles, as well, and they would try to buy as many Crown Victorias as they could next year. He stated that the 2012-13 budget would not have any funding to purchase Crown Victorias. He stated that the Caprice Classic was going to be built, but they did not want to purchase any of them in the first year in order to avoid possible recall problems.

Following discussion, Comm. Jordan moved, seconded by Comm. Peay to defer action on the budget amendment request of \$13,000 from Account 101-39000, Unassigned Fund Balance, going to Account 101-54110-336, Maint./Repair Equipment, until a later date.

The motion passed unanimously by roll call vote.

RECOMMENDATION FOR FUNDING FOR THE DESIGN OF JAIL  
EXPANSION/RENOVATION:

Chairman Ealy advised that at the February 24 Property Management Committee, a motion was approved to look at funding the design of the jail expansion and renovation. That motion passed unanimously.

The Public Safety Committee approved a motion and forwarded the same to the Budget Committee to look at the funding mechanism for the jail expansion/renovation. She stated that had been confusing for some commissioners, because it did not mention the design. However, the design was discussed by the committee. She also advised that there was no dollar amount attached to the motion from the Public Safety Committee.

Mayor Burgess advised that Mr. Kline had provided an estimate of \$440,000 for the design. He stated that there was sufficient funding in the Litigation Tax for the design.

Comm. Baum stated that future Litigation Taxes were committed elsewhere, so that this source of funding in the General Fund was not recurring.

The Finance Director advised that the current Litigation Tax being received was allocated to the Debt Service Fund to pay the debt on the Correctional Work Center. She advised that the Litigation Tax was restricted and could only be used for the jail, workhouse and courthouse.

Sheriff Arnold advised that information regarding the jail expansion/renovation had been through several committees. He asked if anyone had a specific question.

Comm. Sandlin asked what the expansion would be for.

Sheriff Arnold stated that the expansion was for the administration area. He stated that they were totally out of space. He stated that they would be remodeling the kitchen. He stated that the kitchen was originally designed for the old jail. The tower has since been expanded. He stated that the kitchen was designed to feed about 200 inmates, but they were currently feeding about 700 inmates. He advised that the laundry area was designed to do laundry for about 500 inmates. The plan also called for consolidating the communications dispatch. He stated that there would not be enough space for the detective division and they needed increased space for the evidence room. He stated that there are some times when storage space must be rented for the evidence.

Sheriff Arnold requested approval for the design of the additional space.

Comm. Jernigan asked if the Public Safety Committee approved the request for the design at the last meeting.

Comm. Shafer stated that the Public Safety Committee forwarded a recommendation to the Budget Committee to determine the funding mechanism for the design.

Comm. Jernigan made a motion to approve \$440,000 from the Litigation Tax – Jail, Workhouse, and Courthouse to provide funding for the design of the jail expansion/renovation.

The motion died for the lack of a second.

Comm. Jordan advised that during the recent discussion about the design for Eagleville High School, it was mentioned that even if the expansion was designed, the plans could be held until such time as funding was available.

The Finance Director explained that the Litigation Tax Reserve began the year with \$2,124,112. \$410,000 has been allocated for video recorders, jail improvements, and \$50,000 would be requested later in the meeting for jail remediation leaving a remaining balance of \$1,714,112. The use of \$440,000 for the design of the jail expansion/renovation will reduce the balance to \$1,274,000.

Comm. Baum stated that the County Commission had authorized funding for two big projects this year with one being the design for Stewarts Creek High School, and the other being the design for the first phase of the Eagleville School renovations. He stated that in each case, it was fairly certain that the projects were going to ultimately occur. He stated that he had heard statements from the sheriff about combining the Workhouse and the Sheriff's Department. Comm. Baum stated that he was only mentioning that, because he wanted to know if the Workhouse and the Sheriff's Department were to be combined would the capital project be necessary or necessary in its entirety.

Sheriff Arnold stated that some of the renovations would still be necessary. He stated that they might be able to scale back on the project somewhat. He stated that there was a lot of office space at the Correctional Work Center that was not being used.

Comm. Baum stated that if the project in its current form was not something that was necessarily inevitable, and if the design was not built, it would be a loss of funds. He stated that with the design of Stewarts Creek, the county was certain that it would ultimately be built so that would not be a waste of funds. He stated that the Public Safety Committee was going to be debating the pros and cons of the merger of the Workhouse and the Sheriff's Department at a meeting on April 18. He stated that it was not known what was going to come from that meeting. He stated that if Public Safety did recommend some kind of merger, it might affect a particular project.

Secondly, Comm. Baum stated that Sheriff Arnold suggested that there was some available office space at the Workhouse. He asked Sheriff Arnold if there was a chance that the Sheriff's Department could use some of that office space even if there were not a formal merger.

Sheriff Arnold stated that was totally up to the commission and the mayor.

Comm. Sandlin stated that he thought Comm. Baum had made some good points. He stated that the commission had to have a good grasp around the whole idea, and there was still another idea to be discussed. He stated that if the Workhouse and the Sheriff's Department merged, then the plan would be different. He stated that he believed the request for the design of the jail expansion and renovations was premature at this point until after the Public Safety meeting on the 18<sup>th</sup>.

Sheriff Arnold stated that there was quite a bit of office space at the Workhouse that could be used to offset some things. He stated if the combined dispatch was done, the current dispatch department would need to be gutted. He stated that the kitchen would still need to be redesigned.

Comm. Peay stated that Comm. Baum did an excellent job of summing up his thoughts. He stated that his priorities were education. He stated that he was not in favor of spending \$8 million for the jail expansion and renovations if it was going to take a property tax increase. He stated that Sheriff Arnold had stated that the Litigation Tax could pay for it, and that he thought he meant that the Litigation Tax could pay for the entire project. He stated if it was unsure what needed to be done, he did not want to pay \$440,000 for a design that might not be built.

Following discussion, Comm. Jernigan moved, seconded by Comm. Sandlin to send the jail expansion/renovation back to the Public Safety Committee to work with the Property Management Committee, to decide specifically if they want to proceed with the design of the jail expansion/renovation project before the project is sent to the Budget Committee; and to request that the Chairman of the Public Safety Committee add this to the April 18 agenda.

The motion passed unanimously by acclamation.

#### TRANSFERS OUT:

The following budget amendment was presented for the approval of the committee to provide additional funding for costs associated with the remediation of the adult detention center's exterior brickwork. The reserve of the Litigation Tax – Jail, Workhouse, and Courthouse provided the source of funds for the amendment:

|   |          |
|---|----------|
| From: 101-34525 –JWC – Restricted for Public Safety - | \$50,000 |
| To: 101-99100-590 – Transfers Out -                   | \$50,000 |

Comm. Peay moved, seconded by Comm. Sandlin to approve the budget amendment as requested amending \$50,000 from Account 101-34525 – JWC, Reserved for Public Safety to Account 101-99100-590, Transfers Out.

The motion passed unanimously by roll call vote.

Sheriff Arnold provided copies of a Motor Vehicle Report comparing January, 2011 to December, 2010 and comparing February, 2011 to February, 2010.

#### REQUEST APPROVAL OF GOVERNOR'S HIGHWAY SAFETY OFFICE GRANT APPLICATION:

Sheriff Arnold advised that they were requesting approval to apply for a 3-year Governor's Highway Safety Office grant in the amount of \$99,949.24. The first year of the grant would be funded 100%, followed by the second year at 75%, and the third year funded at 50%.

The grant is a Police Traffic Services Grant dealing with multiple violations in traffic enforcement. The grant will fund the equipment as well as overtime for the enforcement effort. The grant will start on October 1, 2011 providing the funding from NHTSA is approved.

It is being proposed to purchase 16 touch screen laptop computers, 16 AC/DC adapters, and 10 Stalker Dual SL Radars. The total cost of the equipment is \$59,667.04. The total personnel cost for the overtime and the related benefits are \$40,282.20.

Sheriff Arnold advised that the Sheriff's Department was going to begin helping out with DUI checkpoints.

Following discussion, Comm. Sandlin moved, seconded by Comm. Peay to authorize the County Mayor and other appropriate officials of Rutherford County to execute a grant application for the Governor's Highway Safety Office for a three-year grant in the amount of \$99,949.24 with the first year being funded 100%, the second year being funded at 75%, and the third year being funded at 50%.

The motion passed unanimously by roll call vote.

Sheriff Arnold also distributed charts of the Sheriff's Department and Jail overtime and compensatory time paid during the current Fiscal year by month.

DOMESTIC VIOLENCE:

The Finance Director requested approval of the following budget transfer for the STOP ARRA Domestic Violence Grant for the Domestic Violence Department to provide additional funding for travel and printing, stationary and forms:

|  |       |
|--|-------|
| From: 101-58802-169 – Part Time Personnel -    | \$500 |
| 101-58802-709 – Data Processing Equipment -    | 671   |
| To: 101-58802-355 – Travel -                   | \$671 |
| 101-58802-349 – Printing, Stationary & Forms - | \$500 |

Comm. Sandlin moved, seconded by Comm. Shafer to approve the budget transfer for the STOP ARRA Domestic Violence Grant as requested transferring \$500 from Account 101-58802-169, Part Time Personnel, and \$671 from Account 101-58802-709, Data Processing Equipment, with \$671 to Account 101-58802-355, Travel, and \$500 to Account 101-58802-349, Printing, Stationary and Forms.

The motion passed unanimously by roll call vote.

MISCELLANEOUS:

The Finance Director requested approval of the following budget transfer to provide additional funding for the annual financial audit for the Fiscal Year ended, June 30, 2010. The cost of the audit is 30 cents per capita for the county:

|   |         |
|---|---------|
| From: 101-58900-502 – Building & Contents Insurance - | \$4,000 |
| To: 101-58900-351 – Audit Services -                  | \$4,000 |

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget transfer as requested to provide additional funding for the annual financial audit transferring \$4,000 from Account 101-58900-502, Building & Contents Insurance, to Account 101-58900-351, Audit Services.

The motion passed unanimously by roll call vote.

AMBULANCE SERVICE:

The Finance Director requested approval of the following budget amendments for the Ambulance Service to recognize additional revenue for Patient charges and to appropriate the additional revenue to refund overpayments from insurance companies and patients; to transfer \$5,000 from Communications to Postal Charges; and to transfer \$60,000 from the Paraprofessionals' Account to Part-Time Personnel. The Ambulance Service was also requesting to amend \$95,000 from the reserve account with \$80,000 for gasoline and \$15,000 for utilities:

|                   |  |          |
|-------------------|--|----------|
| Increase Revenue: | 118-43120 – Patient Charges -                      | \$ 7,000 |
| Increase Expend.: | 118-55130-509 – Refunds -                          | \$ 7,000 |
| From:             | 118-55130-307 – Communications -                   | \$ 5,000 |
| To:               | 118-55130-348 – Postal Charges -                   | \$ 5,000 |
| From:             | 118-55130-131 – Paraprofessionals -                | \$60,000 |
| To:               | 118-55130-169 – Part-Time Personnel -              | \$60,000 |
| From:             | 118-34730 – Assigned for Public Health & Welfare - | \$95,000 |

|     |                             |          |
|-----|-----------------------------|----------|
| To: | 118-55130-425 – Gasoline -  | \$80,000 |
|     | 118-55130-452 – Utilities - | 15,000   |

Comm. Sandlin moved, seconded by Comm. Shafer to approve the budget amendments for the Ambulance Service as requested increasing Revenue Account 118-43120, Patient Charges, by \$7,000 and increasing Expenditure Account 118-55130-509, Refunds, by \$7,000; transferring \$5,000 from Account 118-55130-307, Communications, to Account 118-55130-348, Postal Charges; transferring \$60,000 from Account 118-55130-131, Paraprofessionals, to Account 118-55130-169, Part Time Personnel; amending \$95,000 from Account 118-34730, Assigned for Public Health & Welfare, with \$80,000 to Account 118-55130-425, Gasoline, and \$15,000 to Account 118-55130-452, Utilities.

The motion passed unanimously by roll call vote.

#### HIGHWAY FUND BUDGET AMENDMENT:

The Finance Director requested approval of the following budget amendment for the Highway Department to increase the salary and benefits for the Highway Superintendent based upon the new census figures and to comply with TCA 8-24-102:

|       |  |           |
|-------|--|-----------|
| From: | 131-68000-714 – Capital Outlay/Highway Equipment - | \$ 12,284 |
| To:   | 131-61000-101 – County Official/Administrative -   | \$ 9,994  |
|       | 131-61000-201 – Social Security -                  | 686       |
|       | 131-61000-204 – State Retirement -                 | 1,386     |
|       | 131-61000-212 – Employer Medicare -                | 218       |

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget amendment for the Highway Fund to provide funding to increase the salary and benefits for the Highway Superintendent based upon the new census figures amending \$12,284 from Account 131-68000-714, Capital Outlay/Highway Equipment, with \$9,994 to Account 131-61000-101, County Official/Administrative, \$686 to Account 131-61000-201, Social Security, \$1,386 to Account 131-61000-204, State Retirement, and \$218 to Account 131-61000-212, Employer Medicare.

The motion passed by roll call vote with Commissioners Jernigan and Shafer abstaining.

#### APPROVE AGREEMENT WITH TENNESSEE DEPARTMENT OF HEALTH:

Ms. Danna Garrett, Health Department Director, requested approval of an annual Agreement with the Tennessee Department of Health for the Fiscal Year beginning July 1, 2010 and ending on June 30, 2011. The Agreement requires Rutherford County to appropriate a total of \$645,643 for the support of the Rutherford County Health Department with \$517,268 being Direct Local funds for which Rutherford County shall not be billed and \$128,375 being appropriations for which Rutherford County shall be billed.

The Finance Director advised that the funding provided by the Agreement agrees with the 2010-11 Health Department budget.

Comm. Jordan moved, seconded by Comm. Sandlin to authorize the County Mayor and any other appropriate officials of Rutherford County to execute the Agreement with the Tennessee Department of Health for the 2010-11 Fiscal Year in the amount of \$645,643 and forward the same to the County Commission.

The motion passed unanimously by roll call vote.

#### GENERAL PURPOSE SCHOOL FUND BUDGET AMENDMENT:

Mr. Jeff Sandvig, Assistant Superintendent, requested approval of the following budget amendment to amend an additional \$11,551 in State Early Childhood Education Grant revenue,

account 46515, Early Childhood Education, to increase account 73400-207, medical insurance, and to amend the Capital Outlay function in order to transfer \$61,160 to the Building Program Fund for funding the \$75,000 Excel Energy change order approved by the Board on February 16, 2011:

|                        |   |           |
|------------------------|---|-----------|
| Increase Revenue:      | 141-46515 – Early Childhood Education -     | \$ 11,551 |
| Increase Expenditures: | 141-73400-207 – Medical Insurance -         | \$ 11,551 |
| From:                  | 141-76100-399 – Other Contracted Services - | \$ 25,000 |
|                        | 141-76100-799 – Other Capital Outlay -      | 36,160    |
| To:                    | 141-99100-590 – Transfers Out -             | \$ 61,160 |

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget amendment for the General Purpose School Fund as requested increasing Revenue Account 141-46515, Early Childhood Education, by \$11,551 and increasing Expenditure Account 141-73400-207, Medical Insurance, by \$11,551; transferring \$25,000 from Account 141-76100-399, Capital Outlay/Other Contracted Services and transferring \$36,160 from Account 141-76100-799, Other Capital Outlay, with a total of \$61,160 to Account 141-99100-590, Transfers Out.

The motion passed unanimously by roll call vote.

RESOLUTION TO REQUEST UNCLAIMED BALANCE OF ACCOUNTS REMITTED TO STATE TREASURER UNDER UNCLAIMED PROPERTY ACT:

Chairman Ealy reminded the committee that last year, the County Commission adopted a Resolution to request the unclaimed balance of accounts remitted to the state treasurer under the Unclaimed Property Act. The Resolution provided for a refund to the county amounting to \$209,933, which covered approximately 10 years of Unclaimed Property.

The Finance Director explained that the Resolution provides for a refund of unclaimed property submitted to the state by all Rutherford County offices and not only the Finance Department. The unclaimed property consists of checks that have been issued to individuals and over a period of time have not been cashed. She advised that the county cannot keep the money of the uncashed checks and must turn it over to the Unclaimed Property Division of the State Treasurer. The State will hold the money for 18 months waiting for the property to be claimed. After 18 months, the county can request a refund of the unclaimed property that has not been remitted to individuals. The state recommends that a Resolution be adopted every year to request the unclaimed balance. The county is then responsible for remitting to individuals who might file claims with the proper proof and identification.

Following review, Comm. Jordan moved, seconded by Comm. Peay to approve the Resolution and forward the same to the County Commission requesting the State Treasurer to pay the unclaimed balance of funds remitted by Rutherford County.

The motion passed unanimously by roll call vote.

ADJOURNMENT:

There being no further business to be presented at this time, Chairman Ealy declared the meeting adjourned at 7:23 P.M.

